

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

Presented by _____

Referred To _____ Committee Date _____

Resolution Granting Mayor Randy Kelly The Authority To Proceed With Implementing 2003 Budget Cuts, and Requesting That He Commence A Cooperative Planning Process For Determining 2004 Budget Reductions and Present His Proposed 2004 City Budget To The City Council By July 1, 2003.

1 WHEREAS, in accordance with Section 10.07.3 of the Saint Paul City Charter, Mayor Randy Kelly did
2 notify the City Council in his letter of February 19, 2003, that there will be a significant revenue
3 shortage for financing the City's adopted 2003 General Fund budget. The Mayor's notification was
4 in direct response to Governor Tim Pawlenty's February 18 budget recommendation to significantly
5 cut the state's Local Government Aids to Minnesota cities in order to address an anticipated \$4.2 billion
6 revenue shortage for the State budget; and

7 WHEREAS, Mayor Kelly indicated he was prepared to take swift action to reduce the City's 2003
8 expenditures based on the analysis and recommendations of the Director of the Financial Services
9 Office that Saint Paul's budgeted 2003 Local Government Aid will be cut by approximately \$13.1
10 million, requiring significant spending cuts to keep the City's budget balanced, as required by City
11 Charter; and

12 WHEREAS, Mayor Kelly's 2003 Budget Adjustment Plan, totaling \$13,157,542 was proposed to the
13 City Council at a specially scheduled Budget Meeting on Wednesday, February 19, 2003. The Mayor's
14 proposed plan to adjust for an anticipated \$13.1 million cut in Local Government Aid to the City's
15 General Fund was a combination of spending cuts in various funds, transfers-in from other funds,
16 reallocation of investment earnings, and use of 2002 fund-balance generated from unexpected snow-
17 plowing savings.

18 WHEREAS, the City Council, at its Wednesday, February 19, 2003 Budget Meeting, did publicly
19 express its desire to better understand the Mayor's proposed 2003 budget adjustment plan before
20 making any decision on how to best re-balance the 2003 budget with minimal impact on essential
21 service delivery to the citizens of Saint Paul. Thus, the Council scheduled an emergency Budget
22 Meeting for Friday, February 21, with the agenda calling for a special emphasis on understanding how
23 the Mayor's budget adjustment proposal would affect Police and Fire services. And, at the same time,
24 the City Council also scheduled another emergency Budget Meeting for Wednesday, February 26 for
25 taking formal action on 2003 budget adjustment options; and

26 WHEREAS, the City Council, at its Friday, February 21, 2003 Budget Meeting, did review in more
27 detail the Mayor's proposal to reduce 2003 spending and adjust service levels for both the Fire and

1 Police departments; and

2 WHEREAS, the City Council at its Wednesday, February 26, 2003 Budget Meeting did hear
3 the Financial Services Office Director present alternative spending cuts for the Fire and Police
4 departments; and after the Council made some minor adjustments to the two presented alternatives, they
5 found the amended alternatives to be acceptable; and

6 WHEREAS, Governor Pawlenty's February 18 budget recommendation to significantly cut the state
7 aids to Minnesota cities also includes a proposal to reduce Saint Paul's 2004 state aids by approximately
8 \$33 million dollars, which would absolutely result in a significant reduction in major city services. It
9 is obvious that the negative impacts resulting from the anticipated 2004 service delivery cuts would be
10 much greater than the 2003 service level changes now being proposed and implemented by Mayor
11 Kelly, and

12 BE IT RESOLVED, that the Saint Paul City Council does hereby approve of Mayor Kelly's 2003
13 Budget Adjustment Plan, as proposed to the City Council on February 19, 2003, and as amended to
14 include the alternative spending adjustments for the Police and Fire departments that were presented
15 to and amended by the City Council at their February 26, 2003 Budget Meeting. The Mayor is hereby
16 authorized to implement the amended 2003 spending reduction plan; and is requested to submit all
17 necessary 2003 budget amendment resolutions to fully and accurately reflect the amended 2003 budget
18 adjustment plan; and

19 BE IT FURTHER RESOLVED, that with the above City Council granted approval and authorization,
20 the Saint Paul City Council determines, asserts and declares that the 2003 City budget is now in balance;
21 and

22 BE IT ALSO RESOLVED, that the City Council respectfully requests Mayor Kelly to begin
23 immediately to plan for significant City service level adjustments for the 2004 budget in a cooperative,
24 participatory manner with the City Council; and

25 BE IT FINALLY RESOLVED, that the City Council respectfully requests Mayor Kelly to present his
26 proposed 2004 City Budget to the City Council by no later than July 1, 2003. At that time, the City
27 Council will begin immediately to work cooperatively with the Mayor and his Administration in finding
28 responsible ways to further reduce City spending while providing for priority City services to the
29 residents and property taxpayers of Saint Paul.

	Yeas	Nays	Absent
Benanav			
Blakey			
Bostrom			
Coleman			
Harris			
Lantry			
Reiter			

Requested by Department of:

By: _____

Form Approved by City Attorney

By: _____

Adopted by Council: Date _____

Adoption Certified by Council Secretary

By: _____

Approved by Mayor for Submission to Council

Approved by Mayor: _____ Date _____

By: _____

By: _____

City Council's Record of Adjustments to Mayor' Randy Kelly's Feb. 19, 2003 Plan To Reduce 2003 City Spending by \$11,057,542:

1) On February 19, 2003 Mayor Kelly proposed budget adjustments to offset an estimated loss of 2003 Local Government Aid by using \$2,100,000 in General Fund 12-31-02 Fund Balance and by making 2003 spending cuts totaling \$11,057,542. Included in the total spending cuts was an amount of

a) \$1,651,193 for the Department of Fire and Safety Services (\$700,750 one-time cuts and \$950,443 permanent cuts).

b) \$3,494,931 for the Police Department. (\$1,308,975 one-time cuts and \$2,185,956 permanent cuts).

2) On February 26, 2003, at the Council's morning Budget Meeting, the Mayor's Office submitted, at the request of the City Council, alternative spending reduction plans for:

a) Fire, totaling \$1,651,193 (\$505,160 one-time cuts and \$1,146,032 permanent cuts) which did not decommission Fire Engine 20.

b) Police, totaling \$3,347,415 (\$1,308,975 one-time cuts and \$2,038,440 permanent cuts) which did not cut the funding for the Police K-9 unit, did eliminate funding for the mounted horse patrol, and did not reduce three commanders at the three districts (the three commander reductions are to be made in non-patrol areas)

The Council then decided that they would accept the two above alternative spending reduction plans for the Fire and Police Departments, after including the following City Council determined adjustments:

a) Do not lay-off the Physical Fitness Coordinator in the Fire Department. The Council requested the Administration to present the Council with an analysis justifying that contracting out for these services would be a less costly alternative.

b) Change the current budgeting and accounting practices for recording overtime costs for the Mayor's Police Security Detail: reduce the overtime expense now being recorded in the Police budget, and begin recording the overtime expense in the Mayor's Office budget.

The net result of the sum of all of the above 2003 budget adjustments is:

Mayor's Proposed 2003 Spending Reduction Plan : \$11,057,542

Mayor's Proposed Change In Spending Cut Targets For Police: - \$147,516

Council's Proposed Change In Spending Cut Targets For Fire	- \$58,637
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TOTAL AUTHORIZED 2003 SPENDING REDUCTIONS:	\$10,851,389
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